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News Release

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2 more defendants sentenced in Parish Marketing mortgage fraud scheme

Last week three key defendants in a mortgage fraud scheme involving approximately 200 residences and approximately \$100 million in loan proceeds were sentenced. Yesterday, two additional defendants were sentenced in Minneapolis.

Kristopher Kenton Robbins, 28, Brandon, S.D., was sentenced to two years in prison and was ordered to pay restitution on Aug. 5 by United States District Court Judge Ann Montgomery. He pleaded guilty in September 2007 to conspiracy to commit mortgage fraud. The former closing agent admitted to permitting conspirators to forge signatures on mortgage documentation. Judge Montgomery noted Robbins's significant cooperation in the rapid investigation and prosecution as a basis for a reduced sentence.

Melissa Smith, 45, Gerard, Ohio, was sentenced to one-year imprisonment and restitution by Judge Montgomery. Smith, a stay-at-home mother and sister of conspirator Christopher Troup, pleaded guilty in September 2007. Smith admitted to acting as a straw buyer at the direction of her brother, purchasing 46 residences for approximately \$20 million from October 2004 through January 2007. Smith also cooperated with law enforcement in the case.

The two were connected to the scheme arranged by the owners of Parish Marketing and Development Corp. (PMDC), a long-time Minnesota home builder. On July 31, the owners of the company, along with their son-in-law, were sentenced. The scheme resulted in a loss of between \$20 million and \$50 million and harmed more than 50 victims.

According to court documents, PMDC used "straw buyers" to purchase approximately 200 properties built by PMDC, primarily in the New Prague, New Market and Lonsdale area. In total, the scheme generated nearly \$100 million in loan proceeds, with PMDC receiving in excess of \$25 million from these loan proceeds.

Several other defendants connected to the conspiracy have pleaded guilty to federal charges and await sentencing.

Ramiz Yousef Saadeh, 30, Apple Valley, also pleaded guilty in September 2007 to conspiracy to commit mortgage fraud. The former US Bank officer admitted providing false verifications of deposit to the home builder on behalf of straw buyers.

Donald Todd Yeager, 41, Ardamore, Okla., pleaded guilty in October 2007 to one count of honest services fraud. The former appraiser admitted providing misleading and inflated appraisals of the homes to lenders.

In June 2008, John M. Rubischko, 36, Eagan, a former mortgage broker implicated in the scheme, also pleaded guilty to mortgage fraud and identity theft charges.

This case is the result of an investigation by the Federal Mortgage Fraud Task Force, including the Internal Revenue Service-Criminal Investigation Division and the Federal Bureau of Investigation. The investigation has been assisted by the Minnesota Department of Commerce, the Scott County Sheriff's Office, the Rice County Sheriff's Office, the Le Sueur County Sheriff's Office, and the New Prague Police Department. The case is being prosecuted by Assistant U.S. Attorney Joe Dixon.